

Exhibit 22

Deposition of Lorenzo J. Fertitta
(March 23, 2017) (excerpted)

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

Cung Le, Nathan Quarry, Jon)
Fitch, on behalf of)
themselves and all others)
similarly situated,)
)
Plaintiffs,)
)
v.) Lead Case No.
) 2:15-cv-01045-RFB-(PAL)
Zuffa, LLC, d/b/a Ultimate)
Fighting Championship and)
UFC,)
)
Defendant.)
_____)

C O N F I D E N T I A L

VIDEOTAPED DEPOSITION OF LORENZO J. FERTITTA

Las Vegas, Nevada

March 23, 2017

9:09 a.m.

REPORTED BY:
CYNTHIA K. DuRIVAGE, CSR #451
JOB NO. 49608

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<p style="text-align: right;">22</p> <p>1 in those sanctioning organizations between the WBC, 2 the WBA, the IBF, the WBO. The list kind of goes on 3 and on. I can't name them all because I can't 4 remember.</p> <p>5 Many of those organizations were also 6 located offshore. I believe the WBC was 7 headquartered in Mexico. I believe the WBC was 8 headquartered in, I want to say, Argentina or one of 9 the South American countries.</p> <p>10 In addition to that, there had been widely 11 publicized, I would say, sting operations that in fact 12 the FBI did with the IBF where there had been -- they 13 had been accused of accepting payment from promoters 14 to move their fighters into different rankings to get 15 title shots for some of their fighters.</p> <p>16 So as you can see, boxing was kind of 17 wrought with problems and with corruption. And I 18 believe that's what the Ali Act's real main role was 19 was to try to rid the sport of corruption.</p> <p>20 Q. And one of the ways it did that was by 21 legislating a determination of who got a fight?</p> <p>22 A. No.</p> <p>23 Q. If I understood you, you said that that was 24 one of the issues with boxing at the time you believe 25 that led to the Ali Act?</p>	<p style="text-align: right;">24</p> <p>1 a personal opinion.</p> <p>2 Q. Okay. You also mentioned rankings. I 3 think you said that there was an issue with respect 4 to, you tell me if I'm not characterizing this 5 correctly, but essentially the reliability of 6 rankings.</p> <p>7 Is that accurate?</p> <p>8 A. Yes. I believe that there was a 9 credibility issue with the ranking systems of some of 10 the sanctioning organizations.</p> <p>11 Q. And was that because the rankings lacked 12 transparency?</p> <p>13 A. Yes. I believe that there was a 14 transparency issue.</p> <p>15 But I also think that part of the issue was 16 that there -- that the sanctioning organizations -- 17 yeah, I guess because of lack of transparency, yes.</p> <p>18 Q. Okay. All right.</p> <p>19 Is it fair to say that you've started or 20 participated in the inception of a number of 21 different for-profit enterprises?</p> <p>22 A. Yes.</p> <p>23 Q. Okay. And in doing so, have you risked 24 capital in each of those various entities?</p> <p>25 A. Yes.</p>
<p style="text-align: right;">23</p> <p>1 A. Yes. I believe that corruption overall was 2 one of the issues because there was fairly 3 well-documented cases where the accusations were that 4 promoters would pay, or bribe, I guess, would be a 5 stronger word, the sanctioning organizations to give 6 their fighter an advantage versus other fighters.</p> <p>7 Q. And as a result, an individual who received 8 a fight might not receive it on the basis of their 9 merit but on the basis of something else?</p> <p>10 A. Yes.</p> <p>11 Q. Okay. You also mentioned there was an 12 issue with titles. What was the issue with the 13 titles?</p> <p>14 A. No, I didn't say that there was an issue 15 with titles. I said that there was a lot of titles.</p> <p>16 Q. There were a lot of titles?</p> <p>17 A. Yes.</p> <p>18 Q. And was the fact that there was more than 19 one title problematic from your point of view?</p> <p>20 A. No. From my point of view as a 21 commissioner, it didn't really matter to me who the 22 sanctioning organization was or how many titles there 23 were.</p> <p>24 In my personal opinion, I believe it 25 created confusion for the consumer. But that's just</p>	<p style="text-align: right;">25</p> <p>1 Q. Okay. And is it fair to say that when most 2 new businesses start, someone is risking capital?</p> <p>3 A. Yes.</p> <p>4 Q. And when you started new businesses, have 5 you also given up opportunity costs, that is, the 6 opportunity to do something else?</p> <p>7 A. No.</p> <p>8 Q. No? So the theory that time is finite, and 9 you only have so much time to devote to one issue or 10 one business or enterprise versus another?</p> <p>11 A. No, because I think it depends on what your 12 level of involvement is.</p> <p>13 I mean, you can start a business just being 14 an investor, kind of a silent partner.</p> <p>15 Q. Okay.</p> <p>16 A. You can also start a business and be very 17 involved and be more of what I would call a hands-on 18 entrepreneur.</p> <p>19 Q. Okay. And the various businesses that you 20 have -- well, let me withdraw that.</p> <p>21 The various for-profit enterprises that you 22 have been involved with and that you have started, is 23 it fair to say, have been very successful 24 financially?</p> <p>25 A. Yes, some of them have. Some of them</p>

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<p style="text-align: right;">26</p> <p>1 haven't.</p> <p>2 Q. Right. And collectively, the success of</p> <p>3 those various for-profit enterprises have enabled you</p> <p>4 to become a billionaire, correct?</p> <p>5 A. Yes.</p> <p>6 Q. The fact that you're, say, one of the</p> <p>7 thousand or so richest people on earth; is that</p> <p>8 correct?</p> <p>9 A. Yes. According to certain magazines, that</p> <p>10 is the case.</p> <p>11 Q. Around the time your tenure as a Nevada</p> <p>12 State Athletic Commissioner was coming to an end, you</p> <p>13 became involved in the sport of mixed martial arts;</p> <p>14 is that correct?</p> <p>15 A. No.</p> <p>16 Q. Okay. Did there come a time when you</p> <p>17 purchased an entity called UFC?</p> <p>18 A. Yes.</p> <p>19 Q. And what was the UFC?</p> <p>20 A. The UFC was a organization, a business,</p> <p>21 that was started in 1993, I believe November of 1993.</p> <p>22 It was originally conceived by the Gracie family in</p> <p>23 Brazil.</p> <p>24 Their interest was they had migrated from</p> <p>25 Brazil to California, and they had -- excuse me.</p>	<p style="text-align: right;">28</p> <p>1 that did not have an athletic commission, which of</p> <p>2 course is the regulatory body that would oversee</p> <p>3 combat, unarmed combat in any given state.</p> <p>4 So they essentially went in. Nobody could</p> <p>5 tell them not to do it. The arena agreed to it.</p> <p>6 They were able to secure a pay-per-view</p> <p>7 distribution with the help of a gentleman by the name</p> <p>8 of Bob Meyrowitz who was in the business of</p> <p>9 distributing pay-per-views.</p> <p>10 At the time, distributing pay-per-view was</p> <p>11 very complicated because, you know, in todays world</p> <p>12 you have maybe a handful of pay-per-view companies</p> <p>13 between the satellite and cable companies with all</p> <p>14 the consolidation.</p> <p>15 Back then my understanding was there was</p> <p>16 literally hundreds, if not a thousand, different</p> <p>17 cable companies each sitting around the</p> <p>18 United States. So you needed someone to aggregate</p> <p>19 all of it for you, and that's what Bob's company did.</p> <p>20 They put the event on, and from what I'm</p> <p>21 told, they never even really intended to start a</p> <p>22 business. The idea was to put on an event. There</p> <p>23 was never an intention to do UFC 2 or 3 or 4 or, for</p> <p>24 that matter, 208.</p> <p>25 They were wildly successful. They were</p>
<p style="text-align: right;">27</p> <p>1 They had developed a form and a style of fighting</p> <p>2 called Brazilian jujitsu.</p> <p>3 At the time, going back to the early '90s,</p> <p>4 ground fighting, which Brazilian jujitsu is, that</p> <p>5 technique was not very well-known by what I would</p> <p>6 call the western culture or at least in America.</p> <p>7 Historically, martial arts were what I</p> <p>8 would call the traditional martial arts that included</p> <p>9 stand-up fighting like Karate, Taekwondo, Judo,</p> <p>10 things of that nature.</p> <p>11 Their interest was to prove, at least in</p> <p>12 their belief, that jujitsu was the dominant martial</p> <p>13 art.</p> <p>14 And in order to do that, they felt like</p> <p>15 that they wanted to create a challenge that would pit</p> <p>16 fighters from different disciplines, and they decided</p> <p>17 to put in one of their family members, Royce Gracie,</p> <p>18 into this tournament.</p> <p>19 They partnered with some individuals that</p> <p>20 had a background in, I guess you would call it</p> <p>21 entertainment promotion, and they conceived this idea</p> <p>22 called the Ultimate Fighting Championship.</p> <p>23 They rented an arena in Denver, Colorado.</p> <p>24 My understanding is that they went to Colorado</p> <p>25 specifically because it was one of the few states</p>	<p style="text-align: right;">29</p> <p>1 actually profitable.</p> <p>2 And because of that, they decided to do</p> <p>3 UFC 2. Obviously UFC 3, UFC 4, et cetera.</p> <p>4 Q. And at some point, you participated with</p> <p>5 others in the purchase of that business?</p> <p>6 A. I purchased the UFC along with my brother</p> <p>7 Frank in January of 2001.</p> <p>8 Q. Did anyone -- that's Frank Fertitta,</p> <p>9 correct?</p> <p>10 A. Yes.</p> <p>11 Q. Okay. Did anyone other than you and your</p> <p>12 brother Frank Fertitta participate in the purchase of</p> <p>13 the UFC in January of 2001?</p> <p>14 A. At the creation and outset of the entity</p> <p>15 that purchased the assets of the UFC, which is called</p> <p>16 Zuffa, it was an LLC structure, the only shareholders</p> <p>17 were myself and my brother Frank. We were 50/50</p> <p>18 partners.</p> <p>19 Q. So I want to understand the timing. This</p> <p>20 is January of 2001.</p> <p>21 At the time that you purchased Zuffa with</p> <p>22 your brother Frank, were you still a member of the</p> <p>23 Nevada State Athletic Commission?</p> <p>24 A. No.</p> <p>25 Q. And I believe you testified that you became</p>

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<p style="text-align: right;">30</p> <p>1 a member of the Nevada State Athletic Commission in</p> <p>2 1996 or 1997 and were a member for approximately four</p> <p>3 years?</p> <p>4 A. Yes.</p> <p>5 Q. Okay. And so, do you recall how long you'd</p> <p>6 been off of the Nevada State Athletic Commission</p> <p>7 before you and your brother Frank purchased the UFC</p> <p>8 in January of 2001?</p> <p>9 A. I believe it was roughly six months.</p> <p>10 Q. And did you leave the Nevada State Athletic</p> <p>11 Commission in anticipation of your purchase of UFC?</p> <p>12 A. No.</p> <p>13 Q. And what did you and your brother pay for</p> <p>14 the UFC when you purchased it in January of 2001?</p> <p>15 A. The original purchase price at closing was</p> <p>16 \$2 million.</p> <p>17 Q. And did you have a role at UFC -- at the</p> <p>18 UFC and then ultimately Zuffa that was something</p> <p>19 other than simply owner?</p> <p>20 A. I did not have an executive title or an</p> <p>21 executive role.</p> <p>22 Being the what I would call the controlling</p> <p>23 shareholder along with my brother, we certainly</p> <p>24 weren't silent partners. We were involved in the</p> <p>25 business. But I would say not in a management,</p>	<p style="text-align: right;">32</p> <p>1 member as well.</p> <p>2 Q. Okay.</p> <p>3 A. And by that time, Dana would have been an</p> <p>4 equity partner in the LLC.</p> <p>5 Q. And did the composition of the board of</p> <p>6 directors of Zuffa change at some time thereafter?</p> <p>7 A. Yes.</p> <p>8 Q. And how did it change?</p> <p>9 A. When we took a minority investment from</p> <p>10 Flash Entertainment, they were able to appoint</p> <p>11 someone to the board.</p> <p>12 Their nominee was Marty Edelman.</p> <p>13 Q. There came a time when you sold Zuffa, LLC;</p> <p>14 is that correct?</p> <p>15 A. Yes.</p> <p>16 Q. And when was that?</p> <p>17 A. That transaction closed in August of 2016.</p> <p>18 Q. And at the time that Zuffa was sold in</p> <p>19 August of 2016, did Flash Entertainment continue to</p> <p>20 have an equity interest up to the time of the sale?</p> <p>21 A. Yes.</p> <p>22 Q. And did Mr. Edelman continue to serve on</p> <p>23 the board of directors at least up until the time of</p> <p>24 the sale?</p> <p>25 A. Yes.</p>
<p style="text-align: right;">31</p> <p>1 day-to-day, executive day-to-day role.</p> <p>2 Q. Is there a time when you came to take on</p> <p>3 executive or day-to-day management duties at Zuffa?</p> <p>4 A. Yes.</p> <p>5 Q. Okay. When was that?</p> <p>6 A. That was approximately 2007 or 2008.</p> <p>7 Q. And did you have a title at Zuffa?</p> <p>8 A. Yes.</p> <p>9 Q. And what was that title?</p> <p>10 A. Chief executive -- chairman and chief</p> <p>11 executive officer.</p> <p>12 Q. That is chairman of the board?</p> <p>13 A. Yes.</p> <p>14 Q. And that was in 2007, you became chairman</p> <p>15 of the board, approximately?</p> <p>16 A. Yes. My testimony was 2007 or 2008.</p> <p>17 Q. Okay.</p> <p>18 A. I can't remember the exact month that I</p> <p>19 went over there, but it was around that time.</p> <p>20 Q. Okay, understanding that.</p> <p>21 At the time that you became chairman of the</p> <p>22 board of Zuffa, who were the other board members?</p> <p>23 A. There were -- it was an LLC structure.</p> <p>24 There was essentially me, my brother Frank,</p> <p>25 and I believe Dana White would have been a board</p>	<p style="text-align: right;">33</p> <p>1 Q. Okay. Do you continue to hold any</p> <p>2 position, either executive or nonexecutive position</p> <p>3 with Zuffa?</p> <p>4 A. No.</p> <p>5 Q. Do you have a management or consulting</p> <p>6 agreement with them?</p> <p>7 A. No.</p> <p>8 Q. Do you know if your brother, Frank</p> <p>9 Fertitta, does?</p> <p>10 A. Yes. I know that he does not.</p> <p>11 Q. Okay. And how much was Zuffa sold for?</p> <p>12 A. The total closing value in debt plus equity</p> <p>13 was 4,025,000,000.</p> <p>14 Q. 4,025,000,000?</p> <p>15 A. Yes.</p> <p>16 Q. And who was the buyer?</p> <p>17 A. The buyer was a consortium of investors.</p> <p>18 The lead investor and I would say I guess managing</p> <p>19 investor was WME/IMG.</p> <p>20 The balance of the investors that I'm aware</p> <p>21 of, KKR, Silverlake Partners, and MSD Capital, which</p> <p>22 is Michael Bell's family office invested in the form</p> <p>23 of a preferred security.</p> <p>24 Q. In connection with the sale, did the</p> <p>25 purchasers conduct due diligence?</p>

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<p style="text-align: right;">74</p> <p>1 THE WITNESS: Yes.</p> <p>2 BY MR. DELL'ANGELO:</p> <p>3 Q. And let's begin with WEC.</p> <p>4 Did Zuffa consider WEC to be a competitor</p> <p>5 at the time that it acquired it?</p> <p>6 A. The way that we looked at WEC was a little</p> <p>7 bit different from this standpoint. WEC was a</p> <p>8 regional promotion that was producing events that</p> <p>9 primarily highlighted fighters in the lower weight</p> <p>10 classes that the UFC -- that we at the time did not</p> <p>11 have.</p> <p>12 So that particular acquisition, we didn't</p> <p>13 look at it as a competitive promotion inasmuch as we</p> <p>14 looked at it as a strategic acquisition because it</p> <p>15 was going to be additive and allow our company to</p> <p>16 increase the output that we would generate.</p> <p>17 Q. That is because it enabled the UFC to</p> <p>18 acquire fighters in lower weight classes that at the</p> <p>19 time of the acquisition that they didn't have?</p> <p>20 A. No.</p> <p>21 Q. Okay. Then why is it then?</p> <p>22 A. When we originally purchased the WEC, we</p> <p>23 decided that we were going to continue to operate the</p> <p>24 WEC as a separate division maintaining the WEC brand.</p> <p>25 We had an infrastructure, albeit not huge,</p>	<p style="text-align: right;">76</p> <p>1 the WEC promoted fights in North America?</p> <p>2 A. My recollection is that at that time, King</p> <p>3 of the Cage, which was a well-run organization who</p> <p>4 had distribution deals, I believe it was operated by,</p> <p>5 maybe owned by Terry Treblecock.</p> <p>6 And forgive me because we're talking about</p> <p>7 a large time period, so we're talking about a big</p> <p>8 span.</p> <p>9 Possibly K-1 would have promoted files in</p> <p>10 North America.</p> <p>11 There was a number of promoters that</p> <p>12 promoted fights in that weight class -- in those</p> <p>13 weight classes.</p> <p>14 Q. That you could --</p> <p>15 A. And I know that because some of the</p> <p>16 fighters that were in the WEC had fought for various</p> <p>17 organizations. So the obvious conclusion there is</p> <p>18 that there had to have been multiple other fight</p> <p>19 promotions that promoted fights within those weight</p> <p>20 classes.</p> <p>21 Q. Okay. And just to be clear, though,</p> <p>22 notwithstanding that there were other promotions</p> <p>23 promoting fights in the weight classes that the WEC</p> <p>24 promoted at the time that Zuffa, LLC acquired WEC,</p> <p>25 did you view those other promotions to be -- such as</p>
<p style="text-align: right;">75</p> <p>1 but we had full-time employees dedicating their time</p> <p>2 solely to the promotion, marketing, operations of the</p> <p>3 WEC.</p> <p>4 Q. So let me ask again in a slightly different</p> <p>5 way.</p> <p>6 Did Zuffa's acquisition of the WEC enable</p> <p>7 it to acquire fighters in lower weight classes that</p> <p>8 Zuffa, LLC didn't promote fights for under any of its</p> <p>9 brands?</p> <p>10 A. Yes.</p> <p>11 Q. Okay. And at the time of the WEC</p> <p>12 acquisition by Zuffa, LLC, what, if any, competitors</p> <p>13 existed in the weight classes that existed within the</p> <p>14 WEC?</p> <p>15 A. Can you give me a time frame reference.</p> <p>16 Q. I'm talking about at the time of the</p> <p>17 acquisition, the time that Zuffa acquired WEC.</p> <p>18 A. Right. There were a number of promotions</p> <p>19 around the world that promoted fights within the</p> <p>20 lower weight classes.</p> <p>21 Q. How about in North America?</p> <p>22 A. I believe that there were, yes.</p> <p>23 Q. Okay. And which of those did -- at the</p> <p>24 time of Zuffa's acquisition of the WEC, did you</p> <p>25 believe were competitors for the weight classes that</p>	<p style="text-align: right;">77</p> <p>1 King of the Cage or K-1 to be competitors of WEC?</p> <p>2 A. I did.</p> <p>3 More importantly, I believed that there was</p> <p>4 some very strong in competition in those weight</p> <p>5 classes from promoters in Japan.</p> <p>6 Mixed martial arts is an international</p> <p>7 sport. Fighters, whether you're from -- whether</p> <p>8 you're American, Japanese, Chinese, Brazilian, from</p> <p>9 Europe, you fight all over the world. It's a global</p> <p>10 sport.</p> <p>11 So at that time, promotions like Shuto had</p> <p>12 a very, very strong presence in the lower weight</p> <p>13 classes.</p> <p>14 Pancrase, very strong presence in the lower</p> <p>15 weight classes.</p> <p>16 Primarily because if you think about, you</p> <p>17 know, even when you look at some of the Asian</p> <p>18 countries in the Olympics, they tend to dominate and</p> <p>19 do better in the lower weight categories and such.</p> <p>20 A lot of Brazilians were dominating over in</p> <p>21 Japan.</p> <p>22 I know that some of the fighters that</p> <p>23 fought in the WEC had long careers in Japan.</p> <p>24 So you know, when we looked at that</p> <p>25 competitive landscape, it wasn't just North America,</p>

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<p>78</p> <p>1 it was everywhere around the globe.</p> <p>2 Q. And at the time that Zuffa acquired WEC,</p> <p>3 how many events was it promoting outside of</p> <p>4 North America?</p> <p>5 A. The WEC or UFC?</p> <p>6 Q. The UFC.</p> <p>7 A. The UFC. I'd have to be reminded what year</p> <p>8 we bought the WEC. I can't recall the exact year.</p> <p>9 Q. So it's fair to say, sitting here today,</p> <p>10 you don't recall?</p> <p>11 A. I don't recall.</p> <p>12 I know that we did our first international</p> <p>13 event under the ownership of Zuffa at the Royal</p> <p>14 Albert Hall in London, England either in 2001 or</p> <p>15 2002. That would have been prior to our acquisition</p> <p>16 of WEC. And it's possible that we may have done four</p> <p>17 or five international events, but I would have to go</p> <p>18 back and look.</p> <p>19 Q. Okay. So you identified as acquisitions</p> <p>20 WEC, Pride, WFA, Affliction, and Strikeforce.</p> <p>21 Did Zuffa acquire any of those entities in</p> <p>22 part to benefit from the intellectual property</p> <p>23 developed by those brands?</p> <p>24 A. Yes.</p> <p>25 Q. How so?</p>	<p>80</p> <p>1 were primarily done because in each of those cases,</p> <p>2 those companies were going out of business or out of</p> <p>3 business. They were essentially bankrupt.</p> <p>4 And both of those companies approached us</p> <p>5 to acquire their companies and acquire their fighters</p> <p>6 because I believe that they wanted to get those</p> <p>7 liabilities off of their books, meaning that they had</p> <p>8 contracted with fighters that they owed fights to,</p> <p>9 and they were not able to deliver on those</p> <p>10 contractual terms.</p> <p>11 Therefore, they approached us, and we</p> <p>12 acquired those two companies so that we could</p> <p>13 continue to provide those fighters with fights and</p> <p>14 could also allow us to operate our strategic plan,</p> <p>15 which was to continually increase output every year.</p> <p>16 Q. And so, are you then saying that the UFC --</p> <p>17 or, excuse me -- Zuffa, LLC's acquisition of Pride</p> <p>18 and Strikeforce were not, if only in part, motivated</p> <p>19 by an attempt to acquire fighters that were under</p> <p>20 contract with those entities?</p> <p>21 MR. ISAACSON: Objection to form, compound.</p> <p>22 THE WITNESS: The purpose of both the Pride</p> <p>23 and Strikeforce acquisition was to buy those</p> <p>24 companies and to operate the businesses going</p> <p>25 forward.</p>
<p>79</p> <p>1 A. Well, as I mentioned before, we felt like</p> <p>2 that WEC had a good brand, well thought of. We</p> <p>3 thought that by acquiring it and continue to operate</p> <p>4 it that we could elevate it, and I think any time any</p> <p>5 company makes an acquisition, you don't make it</p> <p>6 because you think you're going to make it worse. You</p> <p>7 make the acquisition because you think you can make</p> <p>8 it better.</p> <p>9 Same with Pride Fighting Championships as</p> <p>10 well.</p> <p>11 Q. You've already testified with respect to</p> <p>12 WEC.</p> <p>13 So with respect to Pride, WFA, Affliction,</p> <p>14 and Strikeforce, did Zuffa acquire each of them to</p> <p>15 acquire fighters that were under contract with those</p> <p>16 entities?</p> <p>17 A. Some, we did.</p> <p>18 Q. Okay.</p> <p>19 A. Some, we did not.</p> <p>20 Q. Okay. With respect to -- which entities</p> <p>21 among Pride, WFA, Affliction, and Strikeforce did</p> <p>22 Zuffa, LLC acquire in part to acquire the fighters</p> <p>23 that were under contract with those brands?</p> <p>24 A. Sure.</p> <p>25 The acquisition of the WFA and Affliction</p>	<p>81</p> <p>1 BY MR. DELL'ANGELO:</p> <p>2 Q. And in acquiring Pride, did Zuffa, LLC</p> <p>3 nevertheless acquire the fighters that were under</p> <p>4 contract with Pride?</p> <p>5 A. Yes.</p> <p>6 Q. And with respect to Strikeforce,</p> <p>7 notwithstanding your testimony about the purpose at</p> <p>8 the time, did Zuffa, LLC nevertheless acquire the</p> <p>9 fighters that were under contract with Strikeforce at</p> <p>10 the time that it acquired it?</p> <p>11 A. The fighter contracts -- the answer is yes.</p> <p>12 The fighter contracts were an asset on the</p> <p>13 books of those companies, and we did asset</p> <p>14 purchase -- we purchased the assets of the companies,</p> <p>15 we did not purchase the corporations.</p> <p>16 So yes, we did acquire those fighter</p> <p>17 contracts as part of our acquisition.</p> <p>18 Q. Okay. And with respect to the acquisition</p> <p>19 of WFA, was one of the reasons for Zuffa's</p> <p>20 acquisition to acquire the fighter Quinton Jackson</p> <p>21 who was under contract with the WFA?</p> <p>22 A. That was one of the fighters that we were</p> <p>23 very interested in, yes.</p> <p>24 Q. And are there any other fighters that you</p> <p>25 can think of from the WFA that the UFC was</p>

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<p style="text-align: right;">82</p> <p>1 particularly interested in acquiring at the time that 2 it made the acquisition? 3 A. Once again, it's going back a ways, but I 4 know that I was very interested in Lyoto Machida, who 5 I believe was under contract with the WFA. 6 Q. Ultimately, Zuffa, LLC did not continue to 7 operate Pride, correct? 8 A. Yes, that is correct. 9 Q. And ultimately, notwithstanding the reason 10 for the acquisition that you've testified about 11 today, the UFC did not continue to operate 12 Strikeforce, correct? 13 A. Yes. Both had significant reasons for not 14 continuing to operate those, those entities. 15 I can tell you that in the instance of 16 Pride, my intention was to expand into the Asian 17 market and to continue on with the Pride brand. 18 They had built up a very nice business. 19 They had a lot of good fighters and a lot of fan 20 following, and I felt like that would be the best way 21 for the company of -- for Zuffa to be able to enter 22 the Asian market, particularly with a brand that was 23 well-recognized in that market. 24 However, as we continued to move forward 25 from the time that we signed the purchase agreement</p>	<p style="text-align: right;">84</p> <p>1 made up of ex-gaming agents in the State of 2 New Jersey for the New Jersey State Gaming 3 Commission. 4 And we made it clear, it wasn't just you've 5 got to fill out a form and give us your Social 6 Security number; there are going to be extensive 7 background checks done. 8 As the process went forward, we had a 9 situation where there was a fight scheduled that was 10 upcoming, and in order to execute that fight, we 11 needed that executive team to pass those background 12 checks and to operate with us. 13 However, even though they gave us many 14 assurances that they could pass the background checks 15 and that they would comply with our requests, they 16 did not. They would not fill out the forms 17 completely. When the gaming agents would set up 18 times to do interviews and do background checks, they 19 would not show up. They were not showing up to the 20 office. 21 We had actually taken Jamie Pollack, who 22 worked in our legal department, and made him 23 president of that entity. He had made plans and had 24 already moved there, was moving his family there, had 25 done research to figure out where his daughter -- I</p>
<p style="text-align: right;">83</p> <p>1 with Pride and eventually closed, it became 2 impossible for us to operate that business. 3 We actually are very particular and careful 4 when we make an acquisition, or should I say, any 5 acquisition for that matter. Both me and my brother 6 are both licensees we're in the State of Nevada for 7 gaming operations. And we need to be very careful 8 about the individuals that we associate ourselves 9 with and that we do business with, which means the 10 burden is on us to make sure that we do appropriate 11 probity checks on individuals or entities that we're 12 going to be doing business with. 13 And there had been accusations about Pride 14 in some magazines, reports, newspapers that they had 15 associations with organized crime in Japan, 16 particularly the Yakuza. 17 And as part of the acquisition, one of the 18 conditions of the acquisition was that Mr. Sakikabara 19 and all of his executive team, which we were assuming 20 his executive team to become employees of the 21 subsidiary that we were creating to acquire the Pride 22 assets, would have to go through thorough probity 23 checks. 24 We actually went out and we hired a very 25 well-known and established investigative firm, all</p>	<p style="text-align: right;">85</p> <p>1 don't know if he had a daughter or a son -- was going 2 to go to school there. 3 So we were all in, and we were ready to 4 execute that event. 5 As time went on and it became clear that we 6 were not going to be able to operate with their team, 7 which by the way, was substantial, they had a ton of 8 experience, obviously, producing those events, we had 9 to cancel that event. 10 And we thought about, okay, the next event 11 will be, I think we had scheduled it for September. 12 That was in May. That event was canceled. We 13 scheduled it for September and hoping that we would 14 get through this process. 15 And when it became clear that we were not 16 and there was a risk of having to cancel the 17 September event, I was -- I had a complex decision to 18 make, and the decision was we have fighters under 19 contract with Pride that we owe fights for because we 20 purchased their contract. So we have a contractual 21 obligation with those fighters. 22 And I had to make a decision, do I just not 23 get them fights, or do I take those fighters and 24 bring them into the UFC as soon as possible so that 25 we could give them fights because fighting is how</p>

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<p style="text-align: right;">286</p> <p>1 experienced fighters.</p> <p>2 That was just my way of trying to explain</p> <p>3 to the media and to people who asked how fighters are</p> <p>4 compensated, not necessarily any matrix or anything</p> <p>5 like that.</p> <p>6 Q. So is it your testimony that no such matrix</p> <p>7 existed at the company, that is, a matrix of fighter</p> <p>8 pay?</p> <p>9 A. As a standard tool -- no, I'm not saying</p> <p>10 that.</p> <p>11 As a standard tool for management, we had</p> <p>12 what we'll call minimums. And what that would mean</p> <p>13 was that most fighters when they first come in in</p> <p>14 their first fight in the UFC -- once again, not all</p> <p>15 but most fighters would sign for what we would call a</p> <p>16 minimum amount, which I believe is 10,000 to show,</p> <p>17 10,000 to win, it could be 12,000 to show, 12,000 to</p> <p>18 win. I don't know where it is right now.</p> <p>19 Q. Could you look at Exhibit 24, page 33 of</p> <p>20 178.</p> <p>21 Do you have that before you?</p> <p>22 A. I do.</p> <p>23 Q. Would you look in the middle of the page,</p> <p>24 the row, it's a kind of wide row, and the "From" is</p> <p>25 from your cellphone number, 1-702-769-6097 to</p>	<p style="text-align: right;">288</p> <p>1 And you know, many times, you would have a</p> <p>2 fighter, for instance, I believe this talks about --</p> <p>3 I guess I don't know what weight class we're talking</p> <p>4 about here, but in certain weight classes that varied</p> <p>5 dramatically from the other fighters.</p> <p>6 Q. So what pay scale were you referring to?</p> <p>7 A. I'm not sure because I don't know what</p> <p>8 fighter I'm talking about here, and I don't know what</p> <p>9 weight class we're talking about, so I don't know.</p> <p>10 Q. Let me show you what I'm marking as the</p> <p>11 next exhibit, 29, I believe.</p> <p>12 (Exhibit 29 was marked for</p> <p>13 identification by the reporter.)</p> <p>14 BY MR. DELL'ANGELO:</p> <p>15 Q. Do you have Exhibit 29 before you?</p> <p>16 A. I do.</p> <p>17 Q. Do you recognize the document?</p> <p>18 A. I do.</p> <p>19 Q. What do you recognize it as?</p> <p>20 A. This document was an analysis that I had</p> <p>21 asked for from Deni.</p> <p>22 Q. Batachvarova?</p> <p>23 A. Yes, from Deni Batachvarova.</p> <p>24 I was interested in increasing the minimum</p> <p>25 fighter pay, and what I wanted to see relative to the</p>
<p style="text-align: right;">287</p> <p>1 1-702-528-2341.</p> <p>2 Do you see that row?</p> <p>3 The timestamp is 11-14-2013 at 4:45:36 p.m.</p> <p>4 A. This is page 173?</p> <p>5 Q. I'm sorry. Page 33 of 178.</p> <p>6 A. Okay, my bad.</p> <p>7 Q. In Exhibit 24.</p> <p>8 A. 4:45:36 is the timestamp?</p> <p>9 Q. Yes.</p> <p>10 A. Okay.</p> <p>11 Q. Take a moment to read that text to</p> <p>12 yourself, but in it, you refer to a pay scale for</p> <p>13 fighters, correct?</p> <p>14 A. Let me read it first.</p> <p>15 Okay.</p> <p>16 Q. In that text message, you refer to a pay</p> <p>17 scale for fighters, correct?</p> <p>18 A. I'm referring to a scale relative to a</p> <p>19 weight class, and I will tell you that we didn't have</p> <p>20 pay scales for weight classes.</p> <p>21 However, fighters tend to within certain</p> <p>22 weight classes, certainly not all the time, tended to</p> <p>23 have compensation that was in the same general, I</p> <p>24 would say, general amounts, not specifically the same</p> <p>25 by any means.</p>	<p style="text-align: right;">289</p> <p>1 minimum fighter pay was what the financial impact on</p> <p>2 the company would be at various levels of minimum</p> <p>3 fighter pay.</p> <p>4 You know, typical financial analysis that I</p> <p>5 think most companies do.</p> <p>6 Q. Could you look back at Exhibit 24, please.</p> <p>7 Just get that in front of you.</p> <p>8 Are you familiar with a fighter, I think we</p> <p>9 mentioned him earlier today, Gilbert Melendez?</p> <p>10 A. Yes, I am.</p> <p>11 Q. Okay. And did you engage in negotiations</p> <p>12 with Mr. Melendez to contract to fight with the UFC?</p> <p>13 A. What was the last part of your question?</p> <p>14 Q. Did you engage in negotiations with</p> <p>15 Mr. Melendez or his representatives to contract to</p> <p>16 fight for the UFC?</p> <p>17 A. No, I don't remember contracting -- I</p> <p>18 should say negotiating with him or his</p> <p>19 representatives when he originally fought for the</p> <p>20 UFC.</p> <p>21 However, I was involved -- eventually, what</p> <p>22 happened was Gilbert Melendez decided that he wanted</p> <p>23 to fight out the term of his contract so that he</p> <p>24 could go test the free agency market, free to deal.</p> <p>25 And it was during that process that I remember, I</p>

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<p style="text-align: right;">290</p> <p>1 recall being mostly involved in was that process. I</p> <p>2 was very involved in that.</p> <p>3 Q. And how did that process conclude?</p> <p>4 A. It concluded with a very long, drawn-out</p> <p>5 negotiation.</p> <p>6 My recollection is that Gilbert -- you</p> <p>7 know, we had made Gilbert offers before his contract</p> <p>8 expired. He decided he didn't want to do that.</p> <p>9 So once again, he fought out his last</p> <p>10 fight, he wanted to test free agency. And he went</p> <p>11 out and was looking for offers from other promoters.</p> <p>12 I don't know all of the different</p> <p>13 promotions that he talked to or that he received</p> <p>14 offers from, but ultimately, my understanding is that</p> <p>15 Bellator made him a significant offer that ended up</p> <p>16 being very much to his advantage.</p> <p>17 Q. But he, nevertheless, ended up contracting</p> <p>18 with UFC, correct?</p> <p>19 A. Yes.</p> <p>20 Q. Would you look at page 75 of Exhibit 24,</p> <p>21 please. That's at ZFL-1897726.</p> <p>22 A. Yes.</p> <p>23 Q. And if you go down to about the middle of</p> <p>24 the page, in the first-hand column in the from,</p> <p>25 there's a text from Dana White to your 6097 number,</p>	<p style="text-align: right;">292</p> <p>1 and 'other dude' is fuckin' badass.</p> <p>2 Fuckin' cut throat nasty business</p> <p>3 like you see in the movies. Good</p> <p>4 shit, homie. Congrats."</p> <p>5 And what's your response there? Would you</p> <p>6 read that, please.</p> <p>7 A. "We got to keep taking these</p> <p>8 Fuckers' oxygen till they tap out.</p> <p>9 We have --"</p> <p>10 I don't see the end of that.</p> <p>11 Q. And who are the fuckers' oxygen that you</p> <p>12 needed to keep taking, as you're referring to in that</p> <p>13 text?</p> <p>14 A. I believe it was referring to Bellator.</p> <p>15 Q. All right. I think -- why don't we take a</p> <p>16 break. We're coming to a close on our record time.</p> <p>17 THE VIDEOGRAPHER: We're going off the</p> <p>18 record at approximately 5:26 p.m.</p> <p>19 (A recess was taken.)</p> <p>20 THE VIDEOGRAPHER: We're going back on the</p> <p>21 record. The time is approximately 5:37 p.m.</p> <p>22 MR. DELL'ANGELO: So we'll note for the</p> <p>23 record that in light of counsel's objections about</p> <p>24 the introduction of publicly available documents that</p> <p>25 were not produced in discovery, the fact that the</p>
<p style="text-align: right;">291</p> <p>1 that's February 25, 2014 at 7:00 and 4 seconds p.m.</p> <p>2 Do you see that?</p> <p>3 A. I do.</p> <p>4 Q. And as you read across, it seems to refer</p> <p>5 to negotiations that you had with a Melendez and</p> <p>6 another dude.</p> <p>7 Do you have an understanding of what</p> <p>8 Mr. White is referring to there?</p> <p>9 A. Yes.</p> <p>10 Q. What is he referring to?</p> <p>11 A. He's referring to -- I believe he's</p> <p>12 referring to Eddie Alvarez who was a Bellator</p> <p>13 fighter.</p> <p>14 Q. He would be the other dude?</p> <p>15 A. Eddie, I'm assuming, was the other dude</p> <p>16 because he had done the same thing but in Bellator</p> <p>17 where he had decided to fight out the last contract</p> <p>18 in Bellator and test the free agency market.</p> <p>19 Q. And Mr. White's text continues through the</p> <p>20 next line. Do you see that?</p> <p>21 A. Yes.</p> <p>22 Q. I'll read the two texts for you. It says:</p> <p>23 "Bro, you know I love you to</p> <p>24 fuckin' death as it is, but what you</p> <p>25 pulled off this week with Melendez</p>	<p style="text-align: right;">293</p> <p>1 Mercer issue has not been resolved and that we have</p> <p>2 not received a privilege log, we're not going to</p> <p>3 close the deposition, but we don't have any further</p> <p>4 questions subject to those issues.</p> <p>5 MR. ISAACSON: I will note that the</p> <p>6 objection to which you referred to, I did not -- I</p> <p>7 did not stop you from asking any of your questions on</p> <p>8 the basis of that objection in all of your questions.</p> <p>9 You had the ability to ask all of your questions.</p> <p>10 Are you done?</p> <p>11 MR. DELL'ANGELO: Yes.</p> <p>12 MR. ISAACSON: Okay.</p> <p>13 THE VIDEOGRAPHER: No further questions</p> <p>14 from anyone?</p> <p>15 MR. ISAACSON: I'm going to just ask a few</p> <p>16 questions while we're here.</p> <p>17</p> <p>18 EXAMINATION</p> <p>19 BY MR. ISAACSON:</p> <p>20 Q. Do you have Exhibit 29 -- actually,</p> <p>21 Exhibit 27, sir?</p> <p>22 A. Yes.</p> <p>23 Q. Exhibit 27 was an article that you were</p> <p>24 shown with comments about Dana White and Quinton</p> <p>25 "Rampage" Jackson, and you were asked to look at the</p>

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<p style="text-align: right;">294</p> <p>1 last paragraph of the article.</p> <p>2 And the second-to-last paragraph says:</p> <p>3 "Jackson," referring to Rampage</p> <p>4 Jackson, "mad that White had been</p> <p>5 critical of him for taking the role</p> <p>6 said that he wasn't coming back."</p> <p>7 So you talked about Rampage Jackson wanting</p> <p>8 to be in the A Team movie rather than meeting his</p> <p>9 commitment to be on the UFC television show.</p> <p>10 Is that what is being discussed in that</p> <p>11 paragraph?</p> <p>12 A. Yes. That's my understanding is that</p> <p>13 Rampage didn't fulfill his commitment to us and</p> <p>14 instead decided to go off and film a movie.</p> <p>15 Q. All right. Let me see if I can work</p> <p>16 backwards through your pile to Exhibit 21.</p> <p>17 Do you have Exhibit 21?</p> <p>18 A. I'm sure I have it somewhere here. What</p> <p>19 does it look like?</p> <p>20 Q. It says, "LexisNexis" in the upper left.</p> <p>21 A. There we go.</p> <p>22 Q. All right. Exhibit 21 is a news article</p> <p>23 dated September 29th, 2008. So we're talking about</p> <p>24 the year 2008.</p> <p>25 And that's where you were shown on page 3</p>	<p style="text-align: right;">296</p> <p>1 Q. Would you explain why.</p> <p>2 A. As I mentioned previously in my testimony,</p> <p>3 when we started the UFC, there really wasn't much to</p> <p>4 it except for an idea. We essentially bought some</p> <p>5 trademarks, some IP. We assumed some fighter</p> <p>6 contracts and a couple of other commercial contracts</p> <p>7 with some satellite providers. I think there was a</p> <p>8 DVD distribution deal in place. It was a very small</p> <p>9 business, and it was losing money.</p> <p>10 From the time period of 2001 to roughly</p> <p>11 about the beginning of or sometime in 2005, in order</p> <p>12 to continue to operate the UFC, me and my brother had</p> <p>13 to continue to fund operations through our own</p> <p>14 capital.</p> <p>15 And there was a point in time, probably</p> <p>16 around 2004, where I actually made a conscious</p> <p>17 decision to either shut down the UFC and cease</p> <p>18 operations, or I thought maybe there was a</p> <p>19 possibility that we could sell the UFC and get some</p> <p>20 value, certainly not anywhere near what we had</p> <p>21 invested but some value to help recoup some of our</p> <p>22 investment.</p> <p>23 And I had Dana go out into the marketplace</p> <p>24 and talk to a few people in the market that he</p> <p>25 thought would be interested.</p>
<p style="text-align: right;">295</p> <p>1 of this article a quote that was towards the bottom:</p> <p>2 "UFC doesn't seem to worry much</p> <p>3 about the other companies in the MMA</p> <p>4 field, and" you, sir, "pull no</p> <p>5 punches about the competition. 'No</p> <p>6 one's ever successful except us, he</p> <p>7 said, there is no No. 2'."</p> <p>8 There's what you were saying in 2008,</p> <p>9 right?</p> <p>10 A. Yes.</p> <p>11 Q. And on page 2 at the top, there's another</p> <p>12 quote from you in the third paragraph.</p> <p>13 Was this also something you said in 2008?</p> <p>14 "People associate the sport with</p> <p>15 UFC; we've had a very strong brand.</p> <p>16 No one else has been successful with</p> <p>17 this except us. There is a long</p> <p>18 list of tombstones."</p> <p>19 Is that something else you said in 2008?</p> <p>20 A. Yes.</p> <p>21 Q. And then, the article says, "UFC almost</p> <p>22 ended up in the same graveyard," and it talks about</p> <p>23 your history.</p> <p>24 Is that something that you agree with?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">297</p> <p>1 Ultimately, I had a change of heart and</p> <p>2 decided that I wasn't ready to quit. That, at that</p> <p>3 time in my career, I hadn't really had any big</p> <p>4 business failures.</p> <p>5 So it was very personal from my standpoint,</p> <p>6 and really kind of made the decision that we were</p> <p>7 going to try to figure out how to make this business</p> <p>8 work one way or the other.</p> <p>9 And we were very close to shutting down,</p> <p>10 but we ended up deciding to take one more risk.</p> <p>11 And back then at that time, media companies</p> <p>12 wouldn't -- would barely take a meeting with us, let</p> <p>13 alone pay us money for our product. So --</p> <p>14 Q. Thank you.</p> <p>15 A. -- we decided to move forward.</p> <p>16 Q. All right. Let me ask you two more things.</p> <p>17 Exhibit 24, which is the large exhibit of</p> <p>18 text messages, do you have that?</p> <p>19 A. Yes.</p> <p>20 Q. A few minutes ago, you were asked about</p> <p>21 page 75.</p> <p>22 A. Yes.</p> <p>23 Q. And you indicated that the text message was</p> <p>24 talking about Bellator.</p> <p>25 Do you remember that?</p>

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